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22 April 1988

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: Lieutenant General Edward J. Heinz, USAF  
Director, Intelligence Community Staff

SUBJECT: Response to Senators' Boren and Cohen 16 March Letter on  
Resources (U)

REFERENCE: Senators' Boren and Cohen Letter of 16 March 1988

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1. Action Requested: That you sign the attached letters to the Chairman and Vice Chairman of the Senate Select Committee on Intelligence (SSCI) and the forwarding notes to the Chairmen of the House Intelligence Committee and the Subcommittee on Defense of the Senate and House Appropriations Committees and ranking minority leaders.

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2. Discussion:

a. The referenced letter (opposite) seeks your "professional advice" on future intelligence needs.

b. The response draws from a number of sources including the work we did last summer and fall for the SSCI on the Soviet military, the related work since then, and the recent work done in the Community on INF/START and budget hearings. This background material is not attached here, because it is summarized in the response and, moreover, is bulky and very difficult to sort out substantively. The response has been reviewed by senior Community members and their substantive comments have been incorporated.

c. The response was crafted to convey the message that we are not leading a drive for new investments in intelligence. Rather, the response is written in a manner that offers technical help to the SSCI as they play their role in deciding what the nation should spend on intelligence.

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SUBJECT: Response to Senators' Boren and Cohen 16 March Letter on  
Resources

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d. The basic strategy put forth in the response is similar to the one we used last fall--the highest immediate payoffs are expected from investments to take better advantage of existing and programed collection systems. The response does conclude that eventually the Intelligence Community will need

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3. Recommendation: I believe the letter--while responsive and useful--will not put us at odds with the President and others in the administration and in Congress on intelligence spending. Therefore, I recommend that you sign and forward the attached letters and forwarding notes. Of course, we are prepared to respond to additional guidance that you might have.

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Edward J. Heinz  
Lieutenant General, USAF

Attachments:  
As stated

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SUBJECT: Response to Senators Boren and Cohen  
16 March Letter on Resources

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(22 April 88)

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The Director of Central Intelligence

Washington, D.C. 20505

25 April 1988

The Honorable David L. Boren  
Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

I appreciate the opportunity to respond to your letter of March 16 seeking my:

"professional advice as to any additional capabilities ... needed by US intelligence to cope with potential threats to our security in the 1990s, particularly in the context of a potential START agreement." [redacted]

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My views on this issue, as expressed below, are based on three critical threads. The first is US policies and programs stretching into the 1990s. The second is the future challenges that likely will be posed by the Soviet military in the 1990s. And the third is the resources that the Intelligence Community has programed to support those obligations and meet those challenges. [redacted]

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Moreover, I am offering these views as a professional judgment, not as a solicitation of Congressional support for supplemental funds. We all recognize the importance of supporting the bipartisan funding agreement between the President and the Congress. And, because this agreement sets stringent limits on federal budgets, it is not surprising that there are differences of view on the relative priorities of intelligence investments. Of course, no matter how crucial I might perceive a certain capability to be, only the President and the Congress can assess its relative worth to the nation. [redacted]

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The Challenges of the 1990s: The challenges that will confront US intelligence in the 1990s have not changed much since last summer when we took a hard look at the intelligence problems that the Soviet military poses for us in the 1990s. During that study effort, the Intelligence Community identified a number of intelligence gaps that were judged vital to our understanding of the Soviet military. Since that study, the INF Treaty has been signed and has had an impact on our use of resources. [redacted]

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Most of the vital gaps identified in the summer study relate to future Soviet weapons capabilities and, if they are not countered, they could adversely affect the balance of power between the US and the USSR. Many of the gaps projected for the 1990s already are major problems today. Although it is not clear whether a START agreement would generate any new gap categories beyond those noted last year, as you point out in your letter, many of the gaps we foresee are directly relevant to--and could take on even more significance in--a START era. [REDACTED]

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Moreover, many of the relevant arms control gaps are assessed now to result in low confidence in monitoring provisions of a START agreement. With a START agreement still evolving, it is premature to offer a formal assessment of our ability to monitor such an agreement. However, as Deputy Director Gates testified on 17 February 1988, we are certain that the monitoring task for future strategic arms control treaties will be far more difficult than for INF, which we believe has brought us to the edge of our existing monitoring capabilities. [REDACTED]

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The Budget Situation: The intelligence resources that we expected to be available to address these gaps and related issues have been reduced since last year's study by severe budget retrenchment. [REDACTED]

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Other budget cuts will make many of the intelligence gaps even more daunting. Examples include:

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At the same time, even with these cuts, the NFIP budget request for FY 1989 still includes a significant effort directed against the Soviet military. However, the President's budget could not address all of the gaps in coverage of the Soviet military that were identified in our earlier study without disrupting the Community's treatment of a number of other important areas including counterintelligence and technical security; continued coverage of counterterrorism, counternarcotics, technology transfer, and Third World instability; and responsiveness to the President for mandated special activities.

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Additional Capabilities Needed: In short, the future looks somewhat bleaker than I described last September, and I know of no cheap or quick solutions to the problems that are emerging, particularly arms control monitoring. Even with expanded cooperative measures that seem likely now to be acceptable to both the US and the Soviets, upgrading the nation's intelligence capabilities will be needed if we are to improve our ability to detect any Soviet cheating. Cooperative measures can help in some areas to increase our monitoring confidences. However, if too intrusive, these measures would place at risk US Government secrets, including sensitive intelligence systems.

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Of course, the challenges posed by the Soviet Union are not the only ones that will confront us in the 1990s--such issues as Third World instabilities and weapons proliferation cannot be ignored. [REDACTED]

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[REDACTED]

In short, it seems clear that the key question continues to be whether the nation can afford any new major investments--given the fiscal realities for FY 1989 and the outyears. I would not recommend substituting any of these major systems for the ones we now have programed in the NFIP. Therefore, improvements of such magnitude will require new, possibly large budget allocations. [REDACTED]

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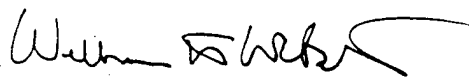
I will, of course, be glad to discuss any aspect of this complicated issue with you at your convenience. [REDACTED]

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Copies of this letter have been provided to Vice Chairman Cohen, the House Intelligence Committee, and the House and Senate Appropriations Committees. [REDACTED]

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Sincerely yours,



William H. Webster

[REDACTED]

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The Director of Central Intelligence

Washington, D.C. 20505

25 April 1988

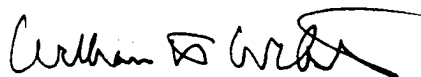
NOTE FOR: The Honorable Louis Stokes, Chairman  
Permanent Select Committee on Intelligence  
U.S. House of Representatives

SUBJECT: Letters to the SSCI Chairman and Vice Chairman

The attached correspondence, which responds to a request for my professional advice by the Chairman and Vice Chairman of the SSCI, is provided for your information.

We are sending copies to the HAC and SAC Subcommittees on Defense and the ranking minority member of your committee.

As always, we are prepared to discuss with you at your convenience.



William H. Webster

Attachment:  
Letter to SSCI



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